

NORTH CAROLINA REPUBLICAN

JAMES H. HARRIS, Editor.

Firm in the Right.

Vol. 1.—No. 36.

RALEIGH, N. C., MARCH 19, 1880.

TWO DOLLARS PER ANNUM IN ADVANCE.
SINGLE COPIES, FIVE CENTS.

OFFICE NORTH CAROLINA REPUBLICAN on Fayetteville street, between Davis and Cabarrus Sts., at the American House.

Gov. Jarvis' Message.

STATE OF NORTH CAROLINA,
EXECUTIVE DEPARTMENT,
Raleigh, March 15, 1880.

Gentlemen of the Senate and House of Representatives:

I have convened you in extra session to day, to consider a proposition made by W. J. Best, J. N. Tappan, W. R. Grace and J. D. Fish, of the city of New York, for the purchase of the State's interest in the Western North Carolina Railroad, and for its completion, and to consider any proposition having the same end in view, and I have done so, because you are the representatives of the real owners of the property proposed to be purchased.

To have refused to submit such an important proposition to you would, in my opinion, have been in effect a gross usurpation of a power nowhere in the Constitution confided to me by the people of North Carolina. Reading that Constitution by the light of true Democracy, the authority given to the Governor "on extraordinary occasions, by and with the advice of the Council of State, to convene the General Assembly in extra session," seems in no sense a restriction upon the right of the people to consider and determine their own affairs, but, on the contrary, a solemn enactment in furtherance of that right. Provision was first made in the Constitution for the people to be heard at regular stated periods, through their representatives in General Assembly, and then in view of the possibility that emergencies at other periods might arise, in which it would be equally important for the voice of the people to be heard, machinery for that purpose also was provided. In a word, it was to enable the people to make known their will, and not to clothe the Governor with a veto power on that will, that authority was

Assembly in extra session; to give the people voice, and not to silence them in matters of their own concern. The people of North Carolina have steadily refused, from the organization of the State government in December, 1776, to the present time, to confer upon their Governor a veto power, or any power in the nature of a veto power. Not proposing, therefore, to usurp a prerogative that rightfully belongs to you as the representatives of the people, I have deemed it my plain duty to call you together and submit the proposition to you.

In view of the importance of the subject matter which you are to consider, it is my duty to put you in possession of all the information I have concerning both the proposition and the property to which it relates.

(Condensed.)

[On January 10th, W. J. Best submitted proposition to buy W. N. C. R. R., and for speedy completion of the entire road, both to Ducktown and Paint Rock—correspondence and interviews with Best; assurances of personal character of himself and his associates, (neither drink nor smoke). Sufficient pith in proposition to submit it to the Legislature.

Directors of Company, and Board of Internal Improvements consulted. They didn't see it—cinder in their eye.

Feb. 3, letter from A. J. DeRosset and others, of Wilmington, heard of Best's proposition, would like to know what it is—Reply, can't tell you now—wait. Summoned Council of State, asked them what to do, as I was in a "priminary." Council said convene the Legislature. I said, I'll do it. Issued proclamation on 21st Feb'y, calling extra session, on 15th March.

"There has been much discussion on the merits of the proposition, the language in which it was written, and the propriety of a sale of the property on any terms, which I take it, will aid you in coming to your conclusions."

My bill, much battered and torn, and the Attorney General busy in the Supreme Court, I called in the services, aid, advice and counsel of Hon. George Davis, of Wilmington, and Hon. Thos. Ruffin, of Hillsboro, "whose rare legal attainments, and whose unsullied personal integrity, you know full well," and they, at my request, for love for you to save you all trouble, and for love of me, redrafted the whole proposition, by omitting the objectionable "whereases," and inserting a few "aforeasids," accidentally omitted in the first draft. I think you will find the redrafted bill, just lovely, and if you will be guided by me you will pass it without a word said.

The history of this road naturally divides itself into three periods. First. Its management from the date of its charter to the date of its sale under execution in 1875. Second. Its manage-

ment from its purchase by the State at the sale in 1875, to its reorganization in April, 1877. Third. Its management from its reorganization to the present time. The charter for this road from Salisbury to Ducktown and to Paint Rock was granted by the General Assembly at its session in 1854-55, and work under it was begun soon thereafter. From that day to this, there has seldom been in the State a political campaign in which this road has not in some way or other been a topic of discussion. Pledges for its speedy and early completion have been freely made by all parties that have had an existence in the State. Hopes have been excited, deferred, destroyed and renewed, until the people have well nigh despaired of its completion.

The State issued her bonds for four millions of dollars for this work prior to 1868. During the same period one million and three hundred thousand dollars were paid in money or labor by counties and individuals along the line of the road. The company also issued its mortgage bonds to the extent of near a million and a half dollars to aid in the work. I think that I can safely say, that not less than seven millions of dollars in actual cash, from time to time including that derived from the sale of the six millions six hundred and forty thousand dollars of the so-called special tax bonds, went into the hands of the officers of the two divisions of this company, during the first period, with which to build and equip this great work, and yet not a rail was laid beyond Old Fort, in McDowell county. From causes not now necessary to discuss, the whole property was, in 1875, put up and sold at public auction to the highest bidder, and bought by the State.

The amount bid for this property, by the State was eight hundred and fifty thousand dollars, which she paid by executing a mortgage for that amount upon the property itself, and issuing, through the commissioners appointed for that amount, to be due in 1880, and bearing seven per cent interest. The interest on these bonds the State guaranteed by making the coupons receivable for taxes due the State; but she did not bind herself to pay the principal.

Three commissioners were then appointed by the State, who took possession of the property, and managed it until the organization of the present company, in April, 1877. Of this management it is sufficient to say, generally, that it had a small convict force, and completed the road to Henry, and did considerable grading on the mountain section.

In the great campaign of 1876, pledges for the completion of this road were again given by both parties, and in the General Assembly of 1876-'77, both parties participated in the legislation under which the present company was organized, and under which the present appropriations have been made and expended. Under the management of the present company, the State has furnished a convict force, averaging about five hundred, which has been fed, clothed and quartered at her expense. She has supplied the rails and material necessary to lay the track, and has paid for the same, and the iron laid by the commissioners, with money drawn from the treasury and raised by taxation. In the same way she has paid all the interest on the eight hundred and fifty thousand dollars first mortgage bonds, up to the present time. The amounts thus paid out, up to March 1st, 1880, are:

For iron, &c.,	\$150,173 43
For interest,	266,175 00
For support of convicts,	140,031 00
Total,	\$556,379 43

Under this management twenty six miles of track have been laid; a part of the grading for which had been done by prior managements, and to-day the terminus of the road is at Gudger's Ford, six miles east of Asheville.

It gives me pleasure to say that I believe the affairs of the company have been well conducted by the present management, and that a great deal of work of a difficult character has been done under it with but small means.

Any proposition to sell the State's interest in the road must to a very great extent be a business matter, and should be considered, upon business principles. If an offer were made to one of you for the purchase of your own property, you would, after hearing the terms of the offer, be influenced in its acceptance or rejection, by the conditions and value of the property, and your supposed advantage in keeping or selling it. Presuming you would act in this way with the people's property, in the exercise of your responsible duties, I requested the President of the company of the Western North Carolina Railroad to prepare a report to be submitted to you, showing the condition and value of the property. This report I herewith transmit

and commend to your careful attention. From it you will see the completed part of the road is by no means in good condition. The road-bed and an important and costly bridge need repairs; the iron is worn, and much of it needs replacing with new; the rolling-stock is insufficient and much of it old and needing repairs. He estimates, as you will see from his report, that the sum of \$220,000 will be needed, in the next two years, to put the road from Salisbury to Asheville in fair condition. From Asheville to Paint Rock is forty-five miles, and the sum of \$650,000, according to his estimate, will be needed to build and equip this part of the road. From Asheville to Ducktown, his reports, is one hundred and thirty-five miles, and to build and equip this line the sum of \$5,330,000 will be required. The time required to build and equip these two lines, under existing laws, he estimates to be thirty years, and this estimate supposes that every dollar of the annual appropriation be paid by the State and used for that purpose. The gross earnings of the company were last year \$82,422.37, and the net earnings \$22,157.80, which were used to aid in the construction and more speedy completion of the road to Asheville. Had the net earnings been used for the purpose of keeping up the old part of the road, they would have been wholly insufficient for that purpose. In fact, they would have been insufficient to have paid off the floating debt of the company, which has been permitted to remain unpaid in the anxiety of the directors, officers and employees of the company to reach Asheville as early as possible. The gross earnings for the next two years, if applied wholly to that purpose, would not be sufficient to repair and equip that part of the road already built, unless the taxes were greatly increased. So the property, if the State will have to means actual road in proper condition.

The State Treasury, for the funds there are the property of the State equally with the road. With this view, I have called upon the State Treasurer for a report, which I herewith transmit, and likewise commend to your consideration. From this report you will see there is not a dollar in the Treasury that can be used for any such purpose, and will not be next year, unless you increase the rate of taxation. In fact, you will see that not a dollar of the annual appropriation for iron can be paid. So that unless other means are devised or taxation shall be increased, the further construction of the road must practically be stopped. It is a rule with the Treasurer, in the administration of the affairs of his office, to first pay the expenses of the State government proper, including the support of the charitable and penal institutions, and then the appropriations of money for specific purposes according to their priority. Acting upon this rule, he has not yet been able to pay off the liens on the Cape Fear and Yadkin Valley Railroad, and still acting upon this rule, he will be unable this year to pay anything to the Western North Carolina Railroad.

What to do, then, with this property becomes a very grave question for you to determine. Ought the State to keep the road, or ought the State to sell the road? If you decide to keep it, how do you propose to complete it? There are, so far as I can see, but three ways in which this may be attempted: To issue more State bonds, which to me seems perfectly inadmissible; I do not desire ever to see another State bond issued to build this or any other road; to still further mortgage the property, which, in my opinion, will inevitably lead to another foreclosure and sale, and to its purchase by parties who will build and use the road, when and how as to them may seem best, or who, it may be, will never build it at all; lastly, by money derived from increased taxation. To increase the taxes already laid upon the people, without an absolute necessity therefor, I am persuaded you will not do. Governments are necessary, and their machinery is necessarily costly; but the moment a government exacts a dollar from the people more than the requirements of its existence may demand, that moment it becomes an oppressor. As I said to you in my inaugural address: "Government has its blessings and its burdens. Good laws properly administered, constitute its blessings; the taxation necessary for its support, its burdens. How to make its blessings as great, and its burdens as small as possible, should be the earnest, constant study of all to whom the people have committed their interests, either as makers or ministers of the laws." What I said then, I repeat now. Nor am I to be deterred from pointing out to my fellow-citizens how they may lighten their burden of taxation, by the fear of having it said that such a course is an

appeal to the sordid passions of the people, and having its characterized as the act of a demagogue. Such an opportunity now presents itself, and I do not, for a moment hesitate to pursue the course that patriotism and duty so plainly mark out for me. In my opinion, further taxation for the completion of the Western North Carolina Railroad is entirely unnecessary, even at existing rates, for the simple reason that by a sale of the road upon the terms offered, it can be completed as originally designed without one dollar additional cost to the State; and not another dollar ought to be so spent. The State, in its expenditures for works of internal improvements, has never sought dividends, or any profits indeed, other than that inseparable from the greater conveniences of the people and the necessary increase in values sure to be caused by such works. But whether she sought such dividends from such expenditures or not, her sad experience in investments in other public works forbids the hope of any return to the State Treasury of any money expended on the Western North Carolina Railroad, so long as she may own and operate it.

But there is a still higher consideration involved in the acceptance, or rejection of the proposition now before you. North Carolina should do equal and exact justice to each and every portion of her people and territory, and only by so doing can she do the greatest good to the whole State; and only by so doing can she make her citizens everywhere proud to be called North Carolinians. Daily and hourly may be witnessed in various sections the increased means of travel, trade and intercourse which have so greatly added to the general wealth of the State. There are, however, a few sections of the State still

backward and poor, and it is to these people that I now turn. These people have responded with their lives and their scant means to every call of the State. In the proposition now before you, I believe the State has an opportunity, without laying further burdens upon the other sections, of speedily giving to those people what they have so long hoped for, and so patiently waited for. I do not hesitate to avow my confidence in the honesty, integrity and ability of the gentlemen proposing this purchase, and my firm belief that if they make the purchase, they will carry out in good faith and in good time any contract they may enter into with you.

The sale of the road is the only security of the people against taxation. Simply to repeal the legislation of 1876-'77, will not give relief. The only additional taxation placed upon the people by that legislation, was for the purchase of iron which, in 1877, amounted to \$34,000, in 1878 to \$48,000, and in 1879 to \$69,000, and can in no one year exceed \$70,000. The reason the amount paid for iron in 1879, so greatly exceeded that paid for it in the preceding year, was because I bought in the fall of that year, anticipating a rise in the price of iron. 650 tons at \$42 per ton, nearly enough to iron the road to Asheville, and which could not be bought for \$80 per ton. This appropriation for iron is the only part of the burden which can be lopped off. You cannot if you would, and would not if you could, repeal the act which binds the State to pay the interest on the \$850,000 first mortgage bonds of the road. The State has pledged her faith to this, by making the coupons of these bonds receivable for taxes, and her faith must be kept inviolate. The amount of interest thus to be paid is \$59,300 per annum, and must so continue for ten years, when these bonds mature. It costs the State \$50,000 per annum, to take care of 500 convicts. She cannot and will not refuse provide for these. It is true she may work them elsewhere, but that will not get clear of or lessen the cost of maintenance. There is no place to put these convicts at work at the cost of private parties. The Oxford and Henderson, and the Chapel Hill road are the only enterprises that have made offers to the Penitentiary authorities to hire convicts, and both of these roads have been supplied. So that there is \$110,000 of the burden that must still remain in any event if you refuse to sell this property. And just here I beg to call your attention to another fact in the report of Treasurer Worth, to which I have not yet alluded. He states that there will be a deficiency in the Treasury under existing laws, at the meeting of the next General Assembly, of \$216,675.28. If the appropriation of \$70,000 for iron be omitted—and that, as I have shown, is the only item that can be repealed—then there will be a deficiency of \$146,675.28, if you refuse to sell the road and the State meets her obligations. There is but one way to supply this deficiency, and that is by

increase of taxation, and the increase necessary for that purpose will be ten cents on each hundred dollars worth of property.

The State should never, as I have said, issue another bond to aid in any public work in any section. She can, though, do much in the way of aid for all sections that choose to avail themselves of it with her convict labor. Our experience has shown it to be the best labor ever employed in this State on works of improvement. A force of one hundred and twenty-five convicts has nearly graded, since last October, the most of the line from Oxford to Henderson, for which the State receives compensation in cash sufficient to cover all expenses. Another force of now nearly one hundred is at work on the road running to the State University, and it is expected will complete the grading by the first of the fall. This force is likewise paid for in cash. The force on the Cape Fear and Yadkin Valley road will complete the grading of that road to Greensboro by the last of the summer; and then can be placed west of Greensboro, and, well organized as it is, will, if kept at work, push quite rapidly up the northwestern section of the State through and into a section rich in mineral and agricultural resources, and much in need of railroad facilities. This force is paid for in the first mortgage bonds of the company, which is the same sort of security that those who pay for the iron and superstructure are to take for their money. This much the State can do, and should, do for other sections, and it can better be done by leaving it with the penitentiary authorities than by legislative enactments in this way. I think many projects which have been much talked of, and discussed, are impracticable, and that

that the criminals, who are now an expense to the counties, be taken out of jail and put to work on these roads. If men will commit crime, I believe in making them work for the public to pay for it. If the State continues this work on the Western North Carolina Railroad, for twenty or thirty years longer, it will cut her off for long years to come from doing anything with this labor for other sections.

The introduction into the State of the amount of money and energy necessary to the completion of this great work, by foreign capitalists is, in my opinion, worthy to be considered, and if you believe in the good faith of the parties proposing such completion, should have its influence on your action. The speedy development of the large section of the State beyond Asheville, consequent upon the completion of this road, and the investments there by other capitalists from abroad, will become a reality, and no longer be a prophecy.

And now, gentlemen, having given you all the information in my possession, and for fuller details placing my letter-book, containing all my correspondence on the subject, at your disposal, I leave the matter in your hands; confidently believing that your action in this crisis, so fraught with good or evil to the West, and of the whole State, will be taken with an eye single to the good of those whom you represent.

In conclusion, gentlemen, I beg leave to say that I know of no other subject for your consideration which may not be postponed till the regular session of the General Assembly, next winter; and I trust that I am not infringing upon your prerogatives, in earnestly advising you not to enter upon general legislation.

Respectfully, THOMAS J. JARVIS.

Raleigh & Augusta Air-Line R. R. CO.

CHANGE OF SCHEDULE.
SUPERINTENDENT'S OFFICE,
RALEIGH, N. C., June 5, 1879.
On and after Friday, June 6, 1879, trains on the Raleigh and Augusta Air-Line Railroad will run daily (Sundays excepted) as follows:
No. 1 Leave Raleigh 8:00 p.m. Hamlet 2:30 a.m.
Cary 8:30 p.m. Hoffman 3:14
Apex 8:53 " Keyser 3:37
New Hill 9:14 " Blue's 3:54
Merry Oaks 9:38 " Manly 4:13
Moncure 9:56 " Cameron 4:33
Osgood 10:17 " Sanford 4:51
Sanford 10:44 " Osgood 5:02
Cameron 11:27 " Moncure 5:25
Manly 12:00 a.m. Merry Oaks 5:42
Blue's 12:20 " New Hill 6:00
Keyser 12:45 " Apex 6:23
Hoffman 1:14 " Cary 6:59
Arrive at Raleigh 2:00 " Arrive at Hamlet 8:30
Train No. 1 connects at Hamlet with the C. R. R. and at Raleigh with the C. R. R. and all points South.
Train No. 2 connects at Raleigh with the Raleigh and Gaston Railroad for all points North.
JOHN C. WINDER, Superintendent.

Cape Fear & Yadkin Valley R. R.

FAYETTEVILLE, May 19, 1879.
On and after Monday, May 19, 1879, trains going up the road will leave Fayetteville 4:00 p.m. Leave Gulf 6:00 a.m.
Little River 4:45 " " Egypt 6:25
Spout Spring 5:15 " " Sanford 6:50
Swann's Station 5:45 " " Jonesboro 7:20
Jonesboro 6:20 " " Swann's 8:15
Sanford 7:10 " " Spout Spring 9:10
Egypt 7:50 " " Little River 9:40
Arrive at Fayetteville 10:20 a.m.
J. C. JONES, Superintendent.

SMOKE BLACKWELL'S DURHAM TOBACCO, BECAUSE IT IS THE BEST.